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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to ___

Commission File Number 0-15562

BEST COPY AVAILABLE

COLONIAL DATA TECHNOLOGIES CORP.
(Exact name of registrant as specified in its charter)

Massachusetts	04-2763229
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

PROCESSED BY
MAY 11 1992
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

80 Pickett District Road
New Milford, Connecticut 06776
(Address of principal executive offic
(Zip Code)

(203) 355-3178
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

__X__ Yes _____ No

The number of shares outstanding of the issuer's common stock, as of April 30, 1992 was 9,823,050.

This filing consists of 49 pages.
Exhibit index appears at page 12

COLONIAL DATA TECHNOLOGIES CORP.

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PART I.

Item 1. Financial Statements

COLONIAL DATA TECHNOLOGIES CORP. AND SUBSIDIARY

CONSOLIDATED CONDENSED BALANCE SHEETS,
MARCH 31, 1992 AND DECEMBER 31, 1991
(in thousands except share data)

ASSETS	NOTES	1992 (Unaudited)	1991
CURRENT ASSETS:			
Cash		$ 79	$ 7
Accounts receivable (net of allowance of $6 and $7 in 1992 and 1991, respectively)		932	1,004
Merchandise sold under contract	2	2,128	2,608
Inventories	3	1,497	1,367
Prepaid expenses		94	174
Total current assets		4,730	5,160
PROPERTY, PLANT AND EQUIPMENT (net of accumulated depreciation of $576 and $672 in 1992 and 1991, respectively)		651	612
TOTAL ASSETS		$5,381	$5,772
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable		$ 255	$ 435
Short-term credit arrangement		219	646
Accrued liabilities		299	177
Total current liabilities		771	1,258
COMMITMENTS	5		
STOCKHOLDERS' EQUITY:			
Common stock, par value $.01 per share, authorized 12,500,000 shares, issued and outstanding 9,823,050 shares in 1992 and 1991, respectively		99	99
Additional paid-in capital		3,329	3,329
Retained earnings		1,182	1,086
Total stockholders' equity		4,610	4,514
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$5,381	$5,772

See notes to consolidated condensed financial statements.

COLONIAL DATA TECHNOLOGIES CORP. AND SUBSIDIARY

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 1992 AND 1991
(in thousands except share and per share data)

	1992	1991
	(unaudited)	
REVENUES:		
Products	$1,994	$1,003
Services	448	270
Total revenues	2,442	1,273
COST OF SALES:		
Products	1,400	646
Services	300	260
Total cost of sales	1,700	906
GROSS PROFIT	742	367
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	576	467
INCOME (LOSS) FROM OPERATIONS	166	(100)
OTHER INCOME (EXPENSE)	3	(44)
INCOME (LOSS) BEFORE INCOME TAXES	169	(144)
INCOME TAXES (BENEFIT)	73	(48)
NET INCOME (LOSS)	$ 96	$ (96)
WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTING EARNINGS PER SHARE:		
Primary	10,828,751	9,469,204
Fully dilutive	10,936,067	9,560,458
PRIMARY AND FULLY DILUTIVE EARNINGS (LOSS) PER SHARE	$ .01	$ (.01)

See notes to consolidated condensed financial statements.

COLONIAL DATA TECHNOLOGIES CORP. AND SUBSIDIARY

CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 1992 (UNAUDITED)
AND THE YEAR ENDED DECEMBER 31, 1991
(in thousands except share data)

	COMMON STOCK		ADDITIONAL		
	SHARES	PAR VALUE	PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
BALANCE, December 31, 1991	9,823,050	$99	$3,329	$1,086	$4,514
NET INCOME				96	96
BALANCE, March 31, 1992	9,823,050	$99	$3,329	$1,182	$4,610

See notes to consolidated condensed financial statements.

COLONIAL DATA TECHNOLOGIES CORP. AND SUBSIDIARY

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1992 AND 1991
(in thousands)

	1992	1991
	(Unaudited)	
INCREASE (DECREASE) IN CASH:		
Cash flows from operating activities:		
Net income (loss)	$ 96	$ (96)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	38	33
Gain on sale of fixed assets	(7)	
Changes in assets and liabilities:		
Accounts receivable	72	(90)
Merchandise under contract	480	
Inventories	(130)	9
Prepaid expenses	80	(7)
Accounts payable	(180)	211
Accrued liabilities	122	(116)
Net cash provided by operating activities	571	(56)
Cash flows from investing activities:		
Sale of fixed assets	107	
Capital expenditures	(179)	(6)
Net cash used in investing activities	(72)	(6)
Cash flows from financing activities:		
Net proceeds (repayments) of debt	(427)	51
Net cash used in financing activities	(427)	51
NET INCREASE (DECREASE) IN CASH	72	(11)
CASH AT BEGINNING PERIOD	7	16
CASH AT END OF PERIOD	$ 79	$ 5
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 3	$ 56
Income taxes	-	110

See notes to consolidated condensed financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 1992 AND 1991

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. They do not include all information and footnotes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to consolidated financial statements included in the Annual Report on Form 10-K of Colonial Data Technologies Corp. and subsidiary (the "Company") for the year ended December 31, 1991. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 1992 are not necessarily indicative of the results that may be expected for the year ending December 31, 1992.

2. MERCHANDISE SOLD UNDER CONTRACT

On July 2, 1991, the Company entered into a sales agreement whereby the Company sold approximately 70% of its inventory as of June 30, 1991. The accounting treatment of this sale will be to recognize revenue upon the receipt of payments from the distributor and therefore $737,000 of revenue was recorded in the first quarter. Accordingly, the inventory sold under this contract is being shown in the consolidated balance sheet as "Merchandise Sold under Contract."

The aggregate selling price of the inventory amounted to approximately $3.5 million which is to be paid in 9 monthly installments of a minimum of $100,000 commencing October 1, 1991 with any unpaid amount due on July 1, 1992. However, if any inventory held by the buyer remains unsold as of July 1, 1992, the final payment for the unsold inventory will be deferred until December 31, 1992 and payment of monthly installments will be suspended.

3. INVENTORIES

Inventories consist of the following (in thousands):

	MARCH 31, 1992	DECEMBER 31, 1991
Raw materials	$ 211	$ 218
Finished goods	1,286	1,149
	$1,497	$1,367

4. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to selling, general and administrative expenses for the three months ended March 31, 1992 and 1991 amounted to $72,000 and $20,000, respectively.

5. COMMITMENTS

The Company was contingently liable for outstanding letters of credit totaling $300,000 at March 31, 1992.

6. MAJOR CUSTOMERS

Sales to three unrelated domestic customers were approximately 30%, 11% and 11% of total sales for the three months ended March 31, 1992.

* * * * *

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Colonial designs, develops and markets calling number identification ("Caller ID") displays, other telecommunications equipment and provides repair support services.

Sales for the quarter ended March 31, 1992 were $2,442,000 compared to sales of $1,273,000 in the prior year period. First quarter sales of Caller ID products were $1,755,000 in 1992 compared to $828,000 in 1991. Compared to 1991, first quarter 1992 telephone sales increased from $175,000 to $239,000 and service revenue increased from $270,000 to $448,000. The increase in sales was primarily attributable to increases in the volume of products and services sold. First quarter gross profit increased from $367,000 in 1991 to $742,000 in 1992 due to higher sales volume and margins improved from 29% to 30%.

The Company's ability to sell Caller ID products is dependent on a number of factors which are outside of the Company's control, including whether the seven Regional Bell Operating Companies ("RBOC's") and various independent telephone companies ("TELCO's") obtain regulatory approval to offer Caller ID service in their jurisdictions. Other factors include the timing of such approval; decisions by RBOC's and TELCO's to engage in early stocking of inventory in states where they believe regulatory approval is imminent; and the marketing efforts by the RBOC's and TELCO's in states where approval has been obtained. Because the Company has no control over the regulatory process or the activities of the RBOC's and TELCO's, it is not possible for the Company to anticipate trends in sales. Sales levels may continue to be unpredictable until Caller ID Service has been ruled on by regulatory agencies in all of the states and markets have stabilized. Approval to offer Caller ID service has been obtained by telephone companies in twenty-two states plus Washington, D.C. and Canada. The Company expects that currently pending Federal legislation to standardize Caller ID will eventually result in nationwide availability of the service as other telephone companies begin the approval process.

First quarter 1992 operating expenses were $576,000 compared to $467,000 in the prior year period. Higher commission expense payable on Caller ID unit sales plus additional salary expense from higher staffing levels accounted for the increase. An operating profit of $166,000 was earned in the first quarter of 1992 compared to a loss of $100,000 in the 1991 period.

During the first quarter of 1992, net other expense declined by $47,000 from the 1991 quarter mainly due to lower interest costs. Based on the factors noted above, pre-tax income and net

income of $169,000 and $96,000 respectively were generated during the first quarter of 1992 compared to a pre-tax loss of $144,000 and a net loss of $96,000 in the prior year period.

Liquidity and Capital Resources

As of March 31, 1992, the Company's primary working capital requirement is to carry its inventory and merchandise sold under contract, which totalled $3,625,000 compared to $3,975,000 on December 31, 1991.

During 1991 the Company sold its remaining inventory of Caller ID products with the AT&T logo to an independent distributor. The accounting treatment of this sale of approximately $3,500,000 will be to recognize revenue upon receipt of payments from the distributor. $737,000 of revenue from this transaction was recorded during the first quarter of 1992. The distributor is obligated to pay in nine monthly installments of a minimum of $100,000 commencing on October 1, 1991, with any unpaid amount due on July 1, 1992. However, if any of the inventory remains unsold by the distributor as of July 1, 1992, the final payment will be due on December 31, 1992, and payment of monthly installments will be suspended.

In order to fund the working capital needs of the Company during the current year, including the need to bring newly developed products to market, the Company will rely on revenues generated from sales of existing inventory and borrowings available under its bank line of credit. The Company's line of credit is subject to renewal on April 30, 1993.

Research and development expenses for the remainder of fiscal year 1992 are expected to be comparable to those incurred in the same period of 1991. The Company currently has no material commitments for any capital expenditures.

The Company believes that inflation and changing prices have not had a material effect on the Company's sales and revenues.

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PART II

Item 5. Other Information.

The Company filed a shelf registration statement on Form S-2 on January 2, 1992 relating to 1,523,000 shares of common stock which may be sold for the account of certain selling stockholders named therein from time to time at prices to be determined at the time of sale or the time any agreement to sell is made. The shares may be sold in one or more transactions at fixed prices, varying prices, or negotiated prices. Such prices will be determined by the selling stockholders or by an agreement between the selling stockholders and an underwriter or dealer. The Registration Statement was declared effective on April 7, 1992. None of the shares registered are for the account of the Company and the Company will not receive any proceeds from the sale of any of the shares except for the warrant exercise price of $1.25 per share for up to 163,000 shares issuable pursuant to common stock purchase warrants.

On March 19, 1992 the Company's common stock, par value $.01 per share, was listed on the American Stock Exchange - Emerging Company Marketplace. The Company's common stock was formerly quoted on the NASDAQ system.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

		Page
19.1	Amended and Restated By-laws of the Company as of April 22, 1992.	14
19.2	Amended Loan and Security Agreement, dated as of February 10, 1992 between The Connecticut National Bank and the Company.	30
19.3	Demand Note, dated as of February 10, 1992, from the Company to Connecticut National Bank.	44
19.4	Guaranty, dated April 3, 1992, from the Company to Connecticut National Bank.	46
19.5.	American Stock Exchange Listing Agreement	49

(b) The Company was not required to file a report on Form 8-K during the quarter ended March 31, 1992.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COLONIAL DATA TECHNOLOGIES CORP.

By _____

Robert F. Wasco
Vice President-Finance
Treasurer, Clerk (Principal Accounting Officer) (Duly Authorized Officer)

Date: May 5, 1992

EXHIBIT 19.1

As of April 22, 1992

AMENDED AND RESTATED
BY-LAWS

OF

COLONIAL DATA TECHNOLOGIES CORP.,
a Massachusetts Corporation

ARTICLE I.

Articles of Organization

All provisions of these by-laws for the regulation and management of the affairs of the corporation shall be subject to such provisions in regard thereto, if any, as are set forth in the articles of organization as from time to time amended. All references in these by-laws to the articles of organization of the corporation, as amended and in effect from time to time.

ARTICLE II.

Place of Stockholders' Meetings

Meetings of the stockholders shall be held in Massachusetts or, to the extent permitted by the articles of organization, elsewhere in the United States as shall be determined from time to time by the president or the directors and stated in the notice of the meeting.

ARTICLE III.

Annual Meeting

There shall be an annual meeting of stockholders at the principal office of the corporation at 10:00 o'clock in the morning on the last Wednesday in May in each year, if it be not a legal holiday and if it be a legal holiday, then at the same hour on the next succeeding day not a legal holiday unless a different hour or place or both shall have been determined by the directors and stated in the notice of the meeting. Purposes for which an annual meeting is to be held additional to those prescribed by law, by the articles of organization and by these by-laws may be specified by the directors or by the president and shall be included in the notice of the meeting by the clerk, or, in case of the death,

absence, incapacity or refusal of the clerk, by another officer upon written application by one or more stockholders who hold at least one-tenth part interest of the capital stock entitled to vote thereon. In the event an annual meeting has not been held on the date fixed in this article, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting.

ARTICLE IV.

Special Meetings of Stockholders

Special meetings of stockholders may be called by the president or by the directors, and shall be called by the clerk, or, in case of the death, absence, incapacity or refusal of the clerk, by any other officer, upon written application of one or more stockholders who hold at least one-tenth part in interest of the capital stock entitled to vote thereat. Such call may be oral or written and shall state the time, place and purposes of the meeting.

ARTICLE V.

Notice of Stockholders' Meeting

A written notice of the place, date and hour of all meetings of stockholders, stating the purposes of the meeting, shall be given by the clerk (or other person empowered to call special meetings of stockholders) at least ten days before the meeting to each stockholder entitled to vote thereat and to each stockholder who, by law, the articles of organization or these by-laws, is entitled to such notice, by leaving such notice with him or at his residence or usual place of business, or by mailing it, postage prepaid, and addressed to such stockholder at his address as it appears in the records of the corporation. In case of the death, absence, incapacity or refusal of the clerk or such other person, such notice may be given by any other officer or by a person designated either by the clerk or by the person or persons calling the meeting or by the board of directors.

Whenever notice of a meeting is required to be given to a stockholder under any provisions of law, of the articles of organization or of these by-laws, a written waiver thereof, executed before or after the meeting by such stockholder or his attorney thereunto authorized and filed with the records of the meeting, shall be deemed equivalent to such notice.

ARTICLE VI.

Quorum of Stockholders

The holders of a majority in interest of all stock issued, outstanding and entitled to vote on any matter shall constitute a quorum with respect to such matter, but, if a quorum is not present, holders of a lesser interest may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice; except that, if two or more classes of stock are outstanding and entitled to vote as separate classes, then in the case of each such class, a quorum shall consist of the holders of a majority in interest of the stock of that class issued, outstanding and entitled to vote. Stock owned directly or indirectly by the corporation, if any, shall not be deemed outstanding for the purpose of determining a quorum.

ARTICLE VII.

Proxies and Voting

Stockholders entitled to vote shall have the number of votes specified in the articles of organization for each share of stock owned by them and a proportionate vote for a fractional share. Stockholders may vote in person or by written proxy dated not more than six months before the meeting named therein. Proxies shall be filed with the clerk of the meeting, or of any adjournment thereof, before being voted. Except as otherwise limited therein, proxies shall entitle the person named therein to vote at any meeting or adjournment of such meeting but shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by any one of them unless at or prior to its exercise the corporation receives a specific written notice to the contrary from any one of them. A proxy purporting to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

When a quorum is present at any meeting, the holders of a majority of the stock represented thereat and entitled to vote on any question (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the holders of a majority of the stock of that class represented thereat and entitled to vote on any question) other than an election by stockholders shall, except where a larger vote is required by law, by the articles of organization or by these by-laws, decide any question brought before such meeting. Any

election by stockholders shall be determined by a plurality of the votes cast.

Any action to be taken by stockholders may be taken without a meeting if all stockholders entitled to vote on the matter consent to the action in writing and the written consents are filed with the records of the meetings of stockholders.

ARTICLE VIII.

Fixing Record Date

The directors may fix in advance a time which, unless a shorter period is provided in the articles of organization, shall not be more than sixty days before the date of any meeting of stockholders or the date for the payment of any dividend or the making of any distribution to stockholders or the last day on which the consent or dissent of stockholders may be effectively expressed for any purpose, as the record date for determining the stockholders having the right to notice of and to vote at such meeting and any adjournment thereof or the right to receive such dividend or distribution or the right to give such consent or dissent, and in such case only stockholders of record on such date shall have such right, notwithstanding any transfer of stock on the books of the corporation after the record date.

If no record date is fixed, the record date for determining stockholders having the right to notice of and to vote at any meeting of stockholders shall be the close of business on the day next preceding the day on which notice of such meeting is given and the record date for determining stockholders for any other purpose shall be the close of business on the day on which the board of directors acts with respect to such purpose.

ARTICLE IX.

Board of Directors

Except as conferred upon or reserved to the stockholders by law, the articles of organization or these by-laws, the business of the corporation shall be managed by a board of not less than three (except that whenever there shall be only two stockholders, the number of directors shall be not less than two and whenever there shall be only one stockholder or prior to the issuance of any stock, there shall be at least one director) nor more than nine directors as shall be fixed and elected at the annual meeting of stockholders by such stockholders as have the right to vote thereon. Any such election shall be by ballot if so requested by

any stockholder entitled to vote thereon. During any year, the board of directors may be enlarged and additional directors elected to complete the enlarged number, to not more than the maximum number above specified, by the stockholders at any meeting or by a vote of a majority of the directors then in office. The stockholders may, at any meeting held for the purpose during such year, decrease to not fewer than the minimum number above specified, the number of directors as thus fixed or enlarged and remove directors to the decreased number.

Subject to the provisions of the articles of organization and to other provisions of these by-laws, each director shall hold office until the next annual meeting and until his successor is chosen and qualified. Any director may resign by delivering his written resignation to the corporation at its principal office or to the president, clerk, or secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

ARTICLE X.

Powers of Directors

The board of directors may exercise all the powers of the corporation except such as by law, by the articles of organization or by other provisions of these by-laws are conferred upon or reserved to the stockholders. In the event of a vacancy in the board of directors, the remaining directors, except as otherwise provided by law, may exercise all powers of the board until the vacancy is filled.

ARTICLE XI.

Committees

The directors may provide for an executive committee or other committees to be elected from and by the directors and, except as otherwise provided by law, may delegate to any such committee or committees such of the powers of the directors as the directors shall designate, may determine the tenure and composition of such committees, the manner of conducting committee business, the number of members required to constitute a quorum or required to take specified types of action and any or all of their other characteristics and authority. Except as the board of directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the board of directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these by-laws

for the board of directors. All members of such committees shall hold such offices at the pleasure of the board of directors. The board of directors may abolish any such committee at any time. The board of directors shall have power to rescind any action of any committee, but no such rescission shall have retroactive effect.

ARTICLE XII.

Meetings of the Board of Directors and of Committees

Meetings of the directors may be held within or without Massachusetts.

Regular meetings of the directors may be held without notice if the time and place of such meetings are fixed by the board, provided that any director who is absent when the vote fixing such time and place is taken shall be given notice of such vote. A regular meeting of the directors may be held without call or formal notice immediately after, and at the same place as, the annual meeting of stockholders, or the special meeting of stockholders held in place of such annual meeting.

Special meetings of the directors may be held at any time and at any place when called, orally or in writing, by the president, treasurer, or two or more directors, reasonable notice thereof being given to each director by the secretary (or, if there be no secretary, by the clerk), or, in case of the death, absence, incapacity or refusal of the secretary (or the clerk, as the case may be), by the officer or directors calling the meeting. In any case, the sending of notice by mail, at least forty-eight hours, or by telegram, at least twenty-four hours, before the meeting, addressed to the directors at their usual or last known business or residence addresses, shall be deemed reasonable notice.

Notice of a meeting need not be given to any director, if a written waiver of notice, executed by him before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. A notice or waiver of notice need not specify the purpose of any meeting of the directors.

Except as the articles of organization or other provisions of these by-laws otherwise provide, (a) any action required or permitted to be taken at any meeting of the directors or of any committee thereof may be taken without a meeting, if all members of the board or of such committee consent to the action in writing and the written consents are filed with the records of the meetings of

the directors or committee, and such consents shall be treated for all purposes as a vote at a meeting; and (b) members of the board of directors or of any committee designated thereby may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at the meeting.

ARTICLE XIII.

Quorum of the Board of Directors

A majority of the board of directors then in office shall constitute a quorum for the transaction of business. A number less than a quorum may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. When a quorum is present at any meeting, a majority of the directors present may take any action on behalf of the board except to the extent that a larger number is required by law, by the articles of organization or by other provisions of these by-laws.

ARTICLE XIV.

Officers and Agents

The officers of the corporation shall consist of a president, a treasurer and a clerk, and such other officers, including but not limited to one or more vice presidents and a secretary, as the directors may appoint. The president, who shall be a director, the treasurer and the clerk shall be elected by the directors at their first meeting following the annual meeting of the stockholders. The clerk shall be a resident of Massachusetts unless a resident agent of the corporation shall be appointed as permitted by law. So far as is permitted by law, any two or more offices may be filled by the same person. Subject to law, to the articles of organization and to other provisions of these by-laws, each officer elected by the directors shall hold office until the first meeting of the board of directors following the next annual meeting of the stockholders and until his successor is chosen and qualified. Any officer may resign by delivering his written resignation to the president, clerk, or secretary, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any officer or agent of the corporation may be required by the directors to give bond in such amount and with such sureties as the directors may determine for the faithful performance of his duties. The premiums for such bonds may be paid by the corporation.

The directors may define the respective tenure, authority and duties of all officers and agents appointed by them except as other provisions of these by-laws may fix the tenure, authority or duties of any such officer.

ARTICLE XV.

The President

The president shall be the chief executive officer of the corporation and shall have the powers generally pertaining to that office, subject to the supervision and direction of the directors. Except as otherwise voted by the directors, he shall preside at all meetings of the stockholders and of the directors at which he is present. In addition, the president shall have such other powers and perform such other duties as the directors may from time to time prescribe.

ARTICLE XVI.

Vice President

In the absence of the president or in case of his inability to act, the senior vice president in length of service as vice president shall preside at all meetings of the stockholders and directors at which the president, if present, would have presided. Any vice president shall have such other powers and perform such other duties as the directors may from time to time prescribe.

ARTICLE XVII.

Treasurer and Assistant Treasurer

Subject to the supervision and direction of the directors, the treasurer shall have general charge of the financial concerns of the corporation and the care and custody of the funds and valuable papers of the corporation, except as the directors may otherwise provide. He shall keep, or cause to be kept, accurate books of account, which shall be the property of the corporation, and shall have such other powers and perform such other duties as the directors may from time to time prescribe.

Any assistant treasurer shall have such powers and perform such duties as the directors may from time to time prescribe.

ARTICLE XVIII.

Clerk and Assistant Clerk

The clerk shall record all proceedings of the stockholders, and, if no secretary is appointed, of the directors, in a book or books to be kept therefor.

The clerk shall also keep, or cause to be kept, in Massachusetts, the original, or attested copies, of the articles of organization, by-laws, and records of all meetings of incorporators and stockholders for inspection by stockholders at the principal office of the corporation or at the office of the clerk or of a transfer agent or the resident agent if any be appointed. Unless a transfer agent is appointed, the clerk shall also keep or cause to be kept at any such office the stock and transfer records, which shall contain the names of all stockholders and the record address and the amount of stock held by each, for inspection by stockholders. Any such inspection by a stockholder of the articles of organization, by-laws, records of meetings of the incorporators or stockholders, or the stock and transfer records must be at a reasonable time and for a proper purpose, but not to secure a list of stockholders for the purpose of selling said list or copies thereof or of using the same for a purpose other than in the interest of the applicant, as a stockholder, relative to the affairs of the corporation.

Said copies and records need not all be kept in the same office.

Any assistant clerk shall have the powers and perform the duties of the clerk in his absence or in case of his inability to act and shall have such other powers and duties as the directors may from time to time prescribe. If neither the clerk nor any assistant clerk is present at any meeting of the stockholders, a temporary clerk to be designated by the person presiding at the meeting shall perform the duties of the clerk.

ARTICLE XIX.

Secretary and Assistant Secretary

If a secretary is appointed, he shall record all proceedings of the directors in a book or books to be kept therefor. In the absence of the secretary at any such meeting, an assistant secretary, or, if none, a temporary secretary designated by the person presiding at the meeting shall record the proceedings of such meeting in the record book.

Any assistant secretary shall have the powers and perform the duties of the secretary in his absence or in case of his inability to act and shall have such other powers and duties as the directors may from time to time prescribe.

ARTICLE XX.

Removals

Except as the articles of organization provide otherwise, directors, including persons elected by directors to fill vacancies on the board, may be removed from their respective offices with or without cause by the vote of the holders of a majority of the shares entitled to vote in the election of such directors and such stockholders may likewise elect successors; provided, that the directors of a class elected by a particular class of stockholders may be removed, and their successors may be elected, only by the vote of the holders of a majority of the directors then in office; provided, that an officer may be removed for cause only after reasonable notice and opportunity to be heard by the board of directors. Directors may be removed from office for cause by vote of a majority of the directors then in office after reasonable notice and opportunity to be heard; vacancies so created may be filled by the directors pending the filling of such vacancies by such stockholders.

ARTICLE XXI.

Vacancies

Except as the articles of organization provide otherwise, any vacancy in the board of directors, however occurring, including a vacancy resulting from resignation of a director or enlargement of the board, and any vacancy in any other office, however occurring, may be filled by the directors or the remaining directors, though less than a quorum, unless such vacancy, if in the office of director, shall have been filled by the stockholders. Successors so elected shall hold office for the unexpired term, subject to the provisions of Article XX of these by-laws. In lieu of filling any vacancy in the board of directors, the stockholders, in accordance with Article IX of these by-laws, may reduce the number of directors, but not to a number less than three or less than the number of stockholders, if less than three.

ARTICLE XXII.

Certificates of Stock

Each stockholders shall be entitled to a certificate stating the number and the class and the designation of the series, if any, of the shares held by him in the corporation, and setting forth any other information required by law, in such form as shall, in conformity with law, be prescribed from time to time by the board of directors. Such certificate shall be signed by the president or a vice president and by the treasurer or an assistant treasurer. Such signatures may be facsimiles if the certificate is signed by a transfer agent or by a registrar, other than a director, officer, or employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the time of its issue.

Every certificate for shares of stock which are subject to any restriction on transfer pursuant to the articles of organization, these by-laws or any agreement to which the corporation is a party, shall have the restriction noted conspicuously on the certificate and shall also set forth in the face or back either the full text of the restriction or a statement of the existence of such restriction and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge. Every certificate issued when the corporation is authorized to issue more than one class or series of stock shall set forth on its face or back either the full text of the preferences, voting powers, qualifications and special and relative rights of the shares of each class and series authorized to be issued or a statement of the existence of such preferences, powers, qualifications and rights, and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

ARTICLE XXIII.

Transfer of Shares of Stock

Subject to the restrictions on transfer, if any, imposed by the articles of organization or these by-laws, noted conspicuously on the certificate and set forth or referred to in the certificate in the manner required by law and these by-laws, and to notice of adverse claims afforded in the manner required by law, title to a certificate of stock and to the shares represented thereby may be transferred (with the effects provided by law) by delivery of the certificate, but such transfer shall be effective as to third

persons only when an appropriate person shall have signed on it or on a separate document an assignment or transfer of such certificate and of the shares or any of them represented thereby or a power to assign or transfer them or when the signature of such person is written without more upon the back of such certificate. Such endorsement may be in blank or may specify the person to whom such certificate and shares are to be transferred or who has power to transfer it. When any certificate of stock is presented to the corporation with a request to register transfer of the same and of the shares represented thereby or any of them, the corporation shall register the transfer as requested if there are on or with such certificate the necessary endorsements aforesaid and if reasonable assurance is given to the corporation that such endorsements or assignments or power, one or more, are genuine and effective and if the corporation has no duty to inquire into adverse claims or has discharged such duty and if any and all applicable laws relating to the collection of taxes have been complied with and if such transfer is in fact rightful or is to a bona fide purchaser. Prior to due presentment for registration of such a transfer, the corporation may treat the registered owner appearing on its books as the person exclusively entitled to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner. Nothing herein contained shall be construed to affect the liability of the owner of shares registered on the books of the corporation for calls, assessments or the like.

It shall be the duty of each stockholder to notify the corporation of his post office address.

ARTICLE XXIV.

Loss of Certificate

The directors may, subject to law, determine the conditions upon which a new certificate of stock may be issued in place of any certificate alleged to have been lost, mutilated or destroyed. They may, in their discretion, require the owner of a lost, mutilated or destroyed certificate, or his legal representative, to give a bond, sufficient in their opinion, with or without surety, to indemnify the corporation against any loss or claim which may arise by reason of the issue of a certificate in place of such lost, mutilated or destroyed stock certificate.

ARTICLE XXV.

Issuance of Capital Stock

The board of directors shall have the authority, without offering the same or any part thereof to the stockholders for subscription, to issue or reserve for issue from time to time the whole or any part of the capital stock of the corporation which may be authorized from time to time, to such persons or organizations, whether or not stockholders of this corporation, for such consideration, whether cash, property, services or expenses, or as such stock dividends, and on such terms as the board of directors may determine, including without limitation the granting of options, warrants, or conversion or other rights to subscribe to said capital stock.

ARTICLE XXVI.

Seal

The board of directors shall have power to adopt and alter the form of seal of the corporation.

ARTICLE XXVII.

Execution of Papers

Except as the directors may generally or in particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made, accepted or endorsed by the corporation shall be signed by the president or by the treasurer.

ARTICLE XXVIII.

Fiscal Year

Except as from time to time otherwise provided by the board of directors, the fiscal year of the corporation shall end on the last day of December of each year.

ARTICLE XXIX.

Voting of Securities of Other Corporations Held by This Corporation

Unless otherwise provided by the board of directors, the president or treasurer may waive notice of and act on behalf of this corporation, or appoint another person or persons to act as proxy or attorney in fact for this corporation with or without discretionary power or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by this corporation.

ARTICLE XXX.

Indemnification

The corporation shall, to the extent legally permissible, indemnify each of its directors and officers and persons who serve at its request as directors or officers of another organization in which it directly or indirectly owns shares or of which it is a creditor, against all liabilities (including expenses) imposed upon or reasonably incurred by him in connection with any action, suit or other proceeding in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his acts or omissions as such director or officer, unless in any proceeding he shall be finally adjudged not to have acted in good faith in the reasonable belief that his action was in the best interest of the corporation. If any claim, action, suit or proceeding in which such persons become involved as aforesaid is disposed of, on the merits or otherwise, without the disposition being adverse to such person, without a plea of guilty or of nolo contendere or its equivalent by such person and without adjudication that such person did not act in good faith in the reasonable belief that his action was in the best interests of the Company, he shall be considered for the purposes hereof to have been wholly successful with respect thereto and shall be entitled to indemnification hereunder as of right.

In all cases other than those with respect to which such person is entitled to indemnification as of right pursuant to the above paragraph, any indemnification hereunder shall be made as of right unless after investigation (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable or, even in obtainable, a quorum of disinterested directors so directs, by written opinion of independent legal counsel (who may be the regular counsel of the Company), or (c) by the holders of a majority of the outstanding stock entitled to

elect Directors, voting as a single class, exclusive of any stock owned by any interested Director, officer or trustee, it shall be determined by clear and convincing evidence that such person did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company.

Such indemnification may include payment by the corporation of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he shall be adjudicated to be not entitled to indemnification. The right of indemnification hereby provided shall not be exclusive of or affect other rights to which any director or officer may be entitled. The corporation's obligation to provide indemnification under this Article shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person. As used in this paragraph, the terms "director" and "officer" include their respective heirs, executors and administrators, and an "interested" director or officer is one against whom as such the proceeding in question or another proceeding on the same or similar grounds is then pending.

Indemnification of employees and other agents of the corporation (including persons who serve at its request as employees or other agents of another organization in which it owns shares or of which it is a creditor) may be provided by the corporation to whatever extent shall be authorized by the directors before or after the occurrence of any event as to or in consequence of which indemnification may be sought. An indemnification to which a person is entitled under these provisions may be provided although the person to be indemnified is no longer a director, officer, employee or agent of the corporation or of such other organization.

ARTICLE XXXI.

Amendments

These by-laws may be amended or repealed and new by-laws may be made at any annual or special meeting of the stockholders called for the purpose, of which the notice shall specify the subject matter of the proposed alteration, amendment or repeal, or the articles to be affected thereby, except that no change in the date fixed for the annual meeting shall be made within sixty days before the date stated in Article III. Notice of any change in such date shall be given to all stockholders at least twenty days before the new day fixed for such meeting. If the articles of organization so provide, these by-laws may also be amended or repealed and new by-

laws may be made at any time by vote of a majority of the directors then in office, except that no change may be made by the directors in the date fixed for the annual meeting of stockholders except in conformity with the foregoing provisions respecting such change made by the stockholders and except further that no by-law may be made, amended or repealed by the directors which alters the provisions of these by-laws with respect to the number, election or removal of directors of the amendment of these by-laws. Not later than the time of giving notice of the meeting, annual or special, of stockholders next following the making, amending or repealing by the directors of any by-laws, notice thereof stating the substance of such change shall be given to all stockholders entitled to vote on amending the by-laws. Any by-laws whether adopted by the stockholders or by the directors may be amended or repealed by the stockholders.

EXHIBIT 19.2

LOAN and SECURITY AGREEMENT

OFFICER INITIALS

CUSTOMER INITIALS

THIS AGREEMENT, dated as of Feb. 10, 1992 , between THE CONNECTICUT NATIONAL BANK (herein called "Bank") a national banking association having an office at 777 Main Street, Hartford, Connecticut and COLONIAL DATA TECHNOLOGIES CORP. (herein called "Borrower"), a Delaware corporation having its chief executive office and principal place of business at 80 Pickett District Road, New Milford, Connecticut.

WITNESSETH

Section 1. The Loans

1.1 The Loan. Pursuant to the terms of this Agreement and upon the satisfaction of the conditions precedent referred to in Section 3 hereof, the Bank will lend to the Borrower, and the Borrower will borrow from the Bank as follows (herein collectively "Loan") advances not to exceed the "Borrowing Base" which shall mean the lesser of (1) the principal amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000) or (11) EIGHTY PERCENT (80%) of the Eligible Receivables (as defined in Section 8.6 hereof) plus the lesser of FOUR HUNDRED THOUSAND DOLLARS ($400,000) or THIRTY (30%) PERCENT of Eligible Inventory (as defined in Section 8.6 hereof) of the Borrower (herein referred to as the "Line of Credit") during the period from the date hereof to April 30, 1993 (the "Termination Date") as evidenced by a demand promissory note (the "Note") in substantially the form of Exhibit I hereto, dated as of the date hereof. Borrower agrees that the aggregate amount shown as outstanding on Schedule 1 of the Demand Note from time to time shall constitute the amount owing to the Bank pursuant to this Section 1.1.

1.2 Advances. Each advance under the Line of Credit shall be made by a deposit to any of Borrower's accounts with the Bank.

1.3 Interest. The principal balance of the Line of Credit shall bear interest at a variable per annum rate equal to three-quarters of one (.75) percentage point in excess of the BASE RATE (as defined in Section 8.6 hereof) as in effect from time to time. Changes in the rate of interest resulting from changes in the BASE RATE shall take place immediately without notice or demand of any kind. Such interest shall be payable as specified in the Note. On default or after maturity, including any period after judgment has been rendered on the Note, the unpaid principal balance of the Note shall bear interest at a rate which is two (2) percentage points per annum greater than that which would otherwise be applicable.

1.4 Computation of Interest. All computations of interest on the Note shall be made on the basis of a 360-day year and actual days elapsed.

1.5 Payment of Principal and Interest. The Bank is authorized to charge principal and interest due under the Note to any account of the Borrower when and as it becomes due.

1.6 Late Charge. Bank may collect a "late charge" equal to five percent (5.00%) of (1) any installment of interest or any other amount (other than principal) due to the Bank which is not paid or reimbursed by the Borrower within ten (10) days of the due date thereof and (11) any installment of principal due to the Bank which is not paid within ninety (90) days of the due date thereof, to cover the extra expense involved in handling such delinquent payments.

1.7 Closing Fee. The Borrower agrees to pay to the Bank a closing fee due on the date hereof equal to $12,500.

1.8 Additional Payments. If the Bank shall deem applicable to this Agreement, the Line of Credit or the Note (including, in each case, the borrowed and the unused portion thereof) any requirement of any law of the United States of America, any regulation, order, interpretation, ruling or official directive or guideline (whether or not having the force of law) of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation or any other board or of governmental or administrative agency of the United States of America which shall impose, increase, modify or make applicable thereto or cause to be included in, any reserve, special deposit, calculation used in the computation of regulatory capital standards, assessment or other requirement which imposes

on the Bank any cost that is attributable to the maintenance thereof, then, and in each such event, the Borrower shall promptly pay the Bank, upon its demand, such amount as will compensate the Bank for any such cost, which determination may be based upon the Bank's reasonable allocation of the aggregate of such costs resulting from such events. In the event any such cost is a continuing cost, a fee payable to the Bank may be imposed upon the Borrower periodically for so long as any such cost is deemed applicable by the Bank, in an amount determined by the Bank to be necessary to compensate the Bank for any such cost. The determination by the Bank of the existence and amount of any such cost shall, in the absence of manifest error, be conclusive.

1.8 Optional Prepayments. The Borrower may prepay the Note, in whole or in part, at any time, without penalty or premium. Any such prepayment will be applied first to costs and expenses due to date, then to accrued interest to the date of the prepayment, then to the principal of the Line of Credit.

1.9 Mandatory Prepayment; Annual Clean-Up. The Borrower shall be required to prepay all advances made under the Line of Credit and to maintain a zero (0) principal balance outstanding under the Line of Credit for a period of thirty (30) consecutive days during each fiscal year of the Borrower.

1.10 Term of Line of Credit. The obligation of the Bank to make loan advances pursuant to the Line of Credit shall expire on the earlier of the Termination Date (as it may be extended pursuant to this Section 1.10) or the occurrence of an Event of Default. The Termination Date may be extended for successive periods of one year provided (i) no Event of Default has occurred and no event has occurred or is continuing which, with the giving of a notice or the passage of time, would constitute an Event of Default and (ii) the Bank and the Borrower each have consented in writing to such extension. Upon the Termination Date (as extended, if applicable) the principal balance due to the Bank under the Line of Credit, whether incurred under this Agreement, or any supplement or amendment hereto or otherwise, shall become immediately due and payable without notice or demand and all Letters of Credit issued by the Bank for the account of the Borrower must be tendered for cancellation. After the Termination Date, until the Line of Credit has been fully satisfied and all Letters of Credit issued for the account of the Borrower have expired or been tendered for cancellation (i) the Bank shall retain its security interest in all Collateral as hereinafter defined and (ii) except for those conditions providing for the making of advances or other extensions of credit by the Bank, all terms and conditions of this Agreement and the Related Agreements (as hereinafter defined) shall remain in full force and effect.

1.11 Grant of Security Interest. To secure payment and performance of the Borrower's Liabilities to the Bank, Borrower hereby grants to the Bank a security interest in all the Borrower's tangible and intangible personal property including, without limitation, the following:

(a) All inventory, machinery, equipment, fixtures, goods, accounts, accounts receivable, bank accounts, instruments, documents, chattel paper, general intangibles, and all other rights of the Borrower to receive payments, whether now owned or hereafter acquired or arising, and wherever located, including all accessions and accessories thereto, substitutes and replacements therefor and any interest now existing or hereafter arising with respect thereto, and all proceeds (including, without limitation, insurance and condemnation proceeds thereof) and products of the foregoing and including, without limitation, all property as more particularly described on Exhibit II attached hereto (herein the "Collateral"). As used in this Agreement, "Liabilities" or "Obligations" means any and all indebtedness, obligations and liabilities of Borrower to the Bank of every kind and description, direct or indirect, primary or secondary, absolute or contingent, due or to become due, now existing or hereafter arising, regardless of how they arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, including, without limitation, the Line of Credit and all obligations of the Borrower to reimburse the Bank for amounts drawn under Letters of Credit issued by the Bank for the account of the Borrower and all costs incurred by Bank to obtain, protect, preserve and enforce this security interest, preserve, protect, collect and enforce the Liabilities, and obtain, maintain, protect and preserve the Collateral including, but not limited to, reasonable attorneys' fees and legal expenses.

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(b) All patents, copyrights, tradenames, trademarks and all applications therefor, and licenses to any patent, copyright, tradename or trademark that the Borrower now owns, has the right to use or may hereafter own or acquire the right to use. The Bank's security interest, as set forth in this subparagraph 1.12(b) shall be limited to that interest necessary in order for the Bank to exercise or get the full benefit and value from the security interest set forth in subparagraph 1.12(a) hereof.

(c) The Uniform Commercial Code as adopted in Connecticut shall govern the security interest provided for herein. The Borrower shall take such steps and execute and deliver such financing statements, assignments and other papers as Bank may from time to time request. If, by reason of location of Collateral or otherwise, the creation, validity or perfection of security interests provided for herein are governed by the law of a jurisdiction other than Connecticut, the Borrower shall execute and deliver such papers as Bank may deem appropriate to comply with such law.

Section 2. Representations and Warranties

As a material inducement to the Bank to extend credit to the Borrower as provided herein, the Borrower hereby represents and warrants to the Bank (which representations and warranties will survive the delivery of the Note and the making of the loans and shall be deemed to be continuing until the Line of Credit is fully paid and this Agreement is terminated) that:

2.1 Corporate Existence and Power. The Borrower is, and will continue to be, a corporation duly incorporated and validly existing under the laws of the State of Connecticut and is duly qualified to do business in all other jurisdictions in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, and it has corporate power to make this Agreement and to borrow hereunder. The Borrower has all requisite permits, authorizations and licenses, without unusual restrictions or limitations, to own, operate and lease its properties and to conduct the business in which it is presently engaged, all of which are in full force and effect.

2.2 Corporate Authority. The making and performance by the Borrower of this Agreement and each and every other agreement, instrument or document required to be executed and delivered to the Bank by the Borrower pursuant to the terms hereof have been duly authorized by all necessary corporate action. The execution and delivery of this Agreement and each and every other agreement, instrument or document required to be executed and delivered to the Bank by the Borrower pursuant to the terms hereof, the consummation of the transactions herein and therein contemplated, the fulfillment of or compliance with the terms and provisions hereof and of each and every other instrument, agreement or document required to be executed and delivered to the Bank by the Borrower pursuant to the terms hereof, are within its powers and will not violate any provision of law or of its Certificate of Incorporation or By-Laws or result in the breach of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any indenture or bank loan or credit agreement, other than pursuant to this Agreement, or other agreement or instrument to which the Borrower is a party or by which the Borrower is bound or by which any of its properties are affected. No approval, authorization, consent or other order of or registration or filing with any governmental body is required in connection with the making or performance of this Agreement, or the granting to the Bank of valid and effective first priority security interests in the Collateral.

2.3 Financial Condition. Each financial statement described in Schedule A hereto under the heading "Financial Statements," has been delivered to the Bank, was prepared in conformity with generally accepted accounting principles and practices consistently maintained throughout the period involved and is correct and complete and fairly presents the financial condition and the results of operations of the Borrower and its parent corporation, Colonial Data Technologies Corp., a Massachusetts corporation, on a consolidated basis for the period and as of the date thereof. The Borrower has no direct or contingent liabilities not disclosed in such statements or in Schedule A hereto under the heading "Liabilities Not Disclosed in Financial Statements." Since the date of the latest dated balance sheet included in said financial statement, there has been no material adverse change in the financial condition of the Borrower from that set forth and, except as disclosed to the

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Bank in writing, no dividends or other distributions have been declared or made to stockholders, nor have any shares of its stock of any class been purchased or acquired in any manner.

2.4 Information Complete. Subject to any limitations stated therein, all information furnished or to be furnished by the Borrower pursuant to the terms hereof is, or will be at the time the same is furnished, accurate and complete in all material respects necessary in order to make the information furnished, in the light of the circumstances under which such information is furnished, not misleading.

2.5 Statutory Compliance. The Borrower is in compliance with all laws, ordinances, rules or regulations, applicable to it, of all federal, state or municipal governmental authorities, instrumentalities or agencies including, without limitation, the Employee Retirement Income Security Act of 1974, as amended, the United States Occupational Safety and Health Act of 1970, as amended, and all federal, state, county and municipal laws, ordinances, rules and regulations relating to the environment, as such may be amended.

2.6 Litigation. No proceedings by or before any private, public or governmental body, agency or authority and no litigation is pending, or, so far as is known to the Borrower or any of its officers, threatened against it except as disclosed in Schedule A hereto under the heading "Litigation, Pending or Threatened."

2.7 Subsidiaries, Affiliates. The Borrower has no Subsidiaries or Affiliates other than those shown on Schedule A attached hereto under the heading "Subsidiaries and Affiliates" which Schedule describes in detail the relationship with each such entity. The Borrower is not the record or beneficial owner of any stock, common or preferred, of any other corporation, other than a Subsidiary or Affiliate, which ownership is described on Schedule A, and there are no fixed, contingent or other obligations on the part of the Borrower to issue any additional shares of its capital stock.

2.8 Events of Default. No Event of Default has occurred, and no event has occurred or is continuing which, pursuant to the provisions of Section 6 hereof, with the lapse of time and/or the giving of notice, would constitute an Event of Default.

2.9 Use of Proceeds. The Borrower shall use the proceeds of the Line of Credit for its general commercial purposes, provided that no part of such proceeds will be used, in whole or in part, for the purpose of (i) acquiring all or substantially all of the assets or stock of any person, firm or corporation or (ii) purchasing or carrying any "margin security" as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System.

2.10 Validity. This Agreement, the Note and all Related Agreements (as hereinafter defined), upon the execution and delivery thereof, will each be legal, valid, binding and enforceable obligations of the Borrower in accordance with the terms of each.

2.11 Title to Property. The Borrower has good and marketable title to its properties and assets subject to no mortgage, security interest, pledge, lien, encumbrance or other charge not set forth in (a) Schedule A hereto under the heading "Liabilities Not Disclosed in Financial Statements" or (b) Section 5.1 hereinafter stated.

2.12 Taxes. The Borrower has filed all tax returns and reports required to be filed by it with all federal, state or municipal authorities and has paid in full or made adequate provision for the payment of all taxes, interest, penalties, assessments or deficiencies shown to be due or claimed to be due on or in respect of such tax returns and reports.

2.13 No Setoffs. All indebtedness to Borrower with respect to any accounts receivable contained in the Collateral is bona fide and valid and no setoffs or counterclaims exist against such indebtedness.

2.14 Business Name and Location. The Borrower conducts its business solely in its own name without the intervention of or through any other entity of any kind, other than as set forth on Schedule A under the heading "Subsidiaries, Affiliates and Trade Names". Schedule A under said heading

further sets forth all trade names used by the Borrower during the past years and the duration and the manner of such use. The chief executive where all books and records relating to the Collateral are located is Pickett District Road, New Milford, CT and there are no other locations the Borrower conducts business or where its assets are located.

Section 3. Conditions Precedent

A. The obligation of the Bank to make the initial advance under the L' Credit is subject to the following conditions precedent:

3.1 Approval of Bank Counsel. All legal matters incident to the transactions hereby contemplated shall be satisfactory to counsel for the Bank;

3.2 Proof of Corporate Action. The Bank shall have received certified copies of all corporate action taken by the Borrower to authorize the execution and delivery of this Agreement and the Note and borrowing hereunder, such other papers as the Bank or its counsel shall reasonably request;

3.3 Related Agreements and Documents. The Borrower shall have delivered to the Bank the various agreements and documents described under the heading "Related Agreements" in Schedule A hereto (herein referred to as the "Related Agreements"); and

3.4 Opinion of Counsel. The Bank shall have received from counsel for the Borrower a written opinion, satisfactory to the Bank and its counsel.

B. The obligation of Bank to make the initial advance and each subsequent advance to be made by it under the Line of Credit is subject to the conditions precedent that:

3.5 No Event of Default. No Event of Default shall have occurred, and no event shall have occurred and be continuing which, pursuant to the provisions of Section 6, hereof which with the lapse of time and/or the giving of notice, would constitute an Event of Default;

3.6 No Material Adverse Change. There shall have been no material adverse change in the financial condition of the Borrower since the date of the latest financial statement delivered to the Bank; and

3.7 Representations and Warranties. The representations and warranties contained in Sections 2 hereof shall each be true and correct, and the Borrower, by its president, shall have so certified to the Bank. Any request for a borrowing shall be deemed a certification by the Borrower as to the truth and accuracy of the representations and warranties contained in Sections 2 as of the date of each such request.

Section 4. Affirmative Covenants

The Borrower covenants and agrees that from the date hereof until payment in full of the Liabilities and the termination of this Agreement, unless the Bank otherwise consents in writing, the Borrower shall:

4.1 Financial Statements. Deliver to the Bank (a) within forty five (45) days after close of each of the first three quarters of each fiscal year of the Borrower, a balance sheet of the Borrower as of the close of each quarter and statements of income and retained earnings for that portion of the fiscal year-to-date then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding period or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the period, and certified by the president or the chief financial officer of the Borrower as accurate, true and correct; (b) within ninety (90) days after the close of each fiscal year of the Borrower, a balance sheet of the Borrower as of the close of such fiscal year and statements of income and retained earnings and source and application of funds for the year then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year or containing disclosure of the effect on financial position or results of operations of any change in the application of accounting principles during the year accompanied by a report, thereon, containing an

selected by the Borrower and acceptable to the Bank; (c) promptly upon the Bank's written request, such other information about the financial condition and operations of the Borrower, or any Guarantor (if any), as the Bank may, from time to time, reasonably request; (d) within ninety (90) days after the close of each fiscal year of the Borrower, a balance sheet and statement of income of each Guarantor (if any) signed by such Guarantor and certified as true, accurate and complete; and (e) promptly upon becoming aware of any default, or any occurrence but for the giving of notice or the passage of time would constitute an event of default, the Borrower shall notify the Bank thereof in writing.

4.2 Insurance. (a) Keep its properties insured against fire and other hazards (so called "All Risk" coverage) in amounts and with companies satisfactory to the Bank to the same extent and covering such risks as is customary in the same or a similar business, but in no event in an amount less than the lesser of (i) the total indebtedness or (ii) the amount necessary to avoid any co-insurance penalty which policies shall name the Bank as loss payee as its interest may appear, (b) maintain public liability coverage against claims for personal injuries, death or property damage in an amount deemed reasonable by the Bank, which policy shall name the Bank as an additional insured, and (c) maintain all worker's compensation, employment or similar insurance as may be required by applicable law. Such All Risk property insurance coverage shall provide for a minimum of ten (10) days' written cancellation notice to the Bank. Borrower agrees to deliver copies of all of the aforesaid insurance policies to the Bank. In the event of any loss or damage to the Collateral, Borrower shall give immediate written notice to the Bank and to its insurers of such loss or damage and shall promptly file its proofs of loss with said insurers.

4.3 Tax and Other Liens. Comply with all statutes and federal, state and municipal regulations applicable to it, its business or its assets and pay all taxes, assessments, governmental charges or levies, or claims for labor, supplies, rent and other obligations made against it or its property which, if unpaid, might become a lien or charge against the Borrower or its property, except liabilities being contested in good faith with the prior written consent of the Bank and against which, if requested by the Bank, the Borrower shall maintain reserves in amount and in form (book, cash, bond or otherwise) satisfactory to the Bank.

4.4 Place of Business. Borrower's chief executive office and principal places of business are at the locations shown in Section 2.14, and the Borrower shall maintain its principal places of business and its chief executive office at said locations. Borrower shall promptly give Bank written notice of any change in such locations. The Collateral and business records pertaining to the Collateral, including those pertaining to all accounts, shall be kept at the address of Borrower's chief executive office as set forth in Section 2.14 unless prior written consent of Bank is obtained to a change thereof.

4.5 Collateral. Borrower shall (a) preserve the Collateral in good condition and order and not permit it to be abused or misused, (b) not allow any of the Collateral to be affixed to real estate, (c) until the occurrence of an Event of Default and upon contrary instructions from Bank, collect its accounts, (d) following the occurrence of an Event of Default and upon request of the Bank, pay or deliver all proceeds of Collateral to the Bank immediately upon receipt in the identical form received without commingling with other property, (e) following the occurrence of an Event of Default and when and to the extent required by the Bank, notify account debtors and obligors that their accounts, instruments, documents, contracts and all of the Borrower's rights to receive payments have been assigned to the Bank and shall be paid directly to the Bank, (f) take necessary steps to preserve the liability of account debtors, obligors, and secondary parties whose liabilities are part of the Collateral, (g) take any action required by the Bank with reference to the Federal Assignment of Claims Act, (h) allow the Bank to inspect Collateral and to inspect and copy all records relating to the Collateral, (i) immediately upon request by the Bank following the occurrence of an Event of Default: (A) transfer possession or permit the Bank to take possession of all Collateral; and (B) assign and/or allow the Bank to take possession of all instruments, and documents, which are part of the Collateral to the Bank immediately, or as to those hereafter acquired, immediately following acquisition, and (j) notify the Bank of any change of location or material adverse change in the condition

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of any of the Collateral, or in any fact or circumstance warranted or represented by Borrower herein, or furnished to the Bank, or if any Event of Default occurs.

4.6 Inspection. Allow the Bank by or through any of its officers, agents, attorneys, or accountants designated by it, for the purpose of ascertaining whether or not each and every provision hereof and of any Related Agreement, instrument or document is being performed and for the purpose of examining the Collateral and the records relating thereto, to enter the offices and plants of the Borrower to examine or inspect any of the properties, books and records or extracts therefrom, to make copies of such books and records or extracts therefrom, and to discuss the affairs, finances and accounts thereof with the officers, employees and agents of the Borrower and its accountants, all at such reasonable times and as often as the Bank may reasonably request.

4.7 Defend Collateral. Defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein and, in the event the Bank's security interest in the Collateral, or any part thereof, would be impaired by an adverse decision, allow the Bank to contest or defend any such claim or demand in the Borrower's name and Borrower agrees to pay, upon demand, the Bank's reasonable costs, charges and expenses, including, without limitation, attorney's fees, in connection therewith.

4.8 Financing Statements. From time to time, at the request of the Bank, execute, deliver and file one or more financing statements on Form UCC-1 or other instruments, and do all other acts as the Bank deems necessary or desirable to perfect fully or to keep perfected its security interest in the Collateral and pay, upon demand, all reasonable expenses, including, without limitation, attorney's fees, incurred by the Bank in connection therewith.

4.9 Litigation. Promptly advise the Bank of the commencement of or threat of litigation, including arbitration proceedings and any proceedings before any governmental agency, which might have an adverse affect upon the condition, (financial, operating or otherwise,) of the Borrower, or where the amount involved is $10,000 or more.

4.10 Maintenance of Existence. Continue to conduct its business as presently conducted, maintain its existence and comply with all valid and applicable statutes, rules and regulations, and maintain its properties in good repair, working order and operating condition. The Borrower shall immediately notify the Bank of any event causing material loss or unusual depreciation in the value of the Collateral and the amount of same.

4.11 Performance. Comply with all terms and conditions of this Agreement, the Related Agreements and the Note and pay all debts of the Borrower before the same shall become delinquent.

4.12 Covenant to Secure Equally and Ratably. Secure the Note or cause the Note to be secured equally and ratably with any and all indebtedness secured by any lien or encumbrance created after the date hereof by the Borrower or any Subsidiary upon any of its property or assets, whether now owned or hereafter acquired, other than liens or encumbrances permitted pursuant to Section 5.1 hereof. Nothing in this Section 4.12 shall be deemed to permit the incurring of indebtedness or the creation of liens or encumbrances not otherwise permitted hereunder.

Section 5. Negative Covenants

The Borrower covenants and agrees that until payment is made in full of the Liabilities and the termination of this Agreement, unless the Bank otherwise consents in writing, the Borrower shall not:

5.1 Encumbrances. Incur or permit to exist any lien, mortgage, charge or other encumbrance, against any of its property or assets, whether now owned or hereafter acquired, except: (a) liens required by this Agreement; (b) pledges or deposits in connection with or to secure worker's compensation, unemployment insurance, pensions, or other employee benefits; (c) tax liens which are being contested in good faith and in compliance with Section 4.3 hereof; and (d) purchase money security interests in specific items of machinery and equipment in an amount not to exceed the purchase price thereof and which lien covers only the specific item purchased.

5.2 Limitation on Indebtedness. Create or incur any indebtedness or obligation for borrowed money in excess of $250,000 (including indebtedness secured by liens permitted in Section 5.1(d) hereof) or issue or sell any obligations of the Borrower, excluding, however, from the operation of this covenant (a) the loan hereunder and all other liabilities of the Borrower to the Bank; and (b) indebtedness subordinated in payment and priority to all indebtedness of the Borrower to the Bank in writing and in form and substance satisfactory to the Bank.

5.3 Disposition of Collateral. Sell, lease, pledge or otherwise dispose of any of the Collateral or any of its other properties (other than sales from inventory in the ordinary course of its business as presently conducted) except for liens or encumbrances required or permitted hereby.

5.4 Contingent Liabilities. Assume, guarantee, endorse or otherwise become liable upon the obligations of any person, firm or corporation except by the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business.

5.5 Consolidation, Merger or Acquisition. Merge into or consolidate with or into any corporation or other entity; and, for the purposes of this clause 5.5, the acquisition by the Borrower of all or substantially all of the assets, together with the assumption of all or substantially all of the obligations and liabilities, of any corporation or entity shall be deemed to be a consolidation of such corporation or entity with the Borrower.

5.6 Loans, Advances, Investments. Purchase or otherwise acquire any shares of stock or obligations of, or make loans or advances to, or investments in, any individual, firm, entity or corporation in excess of $75,000 other than investments in direct obligations of the United States of America or certificates of deposit (or similar investments) offered by the Bank.

5.7 Acquisition of Stock of Borrower. Purchase, acquire, redeem or retire, or make any commitment to purchase, acquire, redeem or retire any of the capital stock of the Borrower, whether now or hereafter outstanding, in excess of $75,000 so long as no Event of Default has occurred hereunder or would occur after giving effect thereto.

5.8 Dividends. Declare or pay any dividend (unless payable in capital stock of the Borrower) or authorize or make any other distribution of any shares of capital stock of the Borrower, whether now or hereafter outstanding.

5.9 Capital Expenditures. Purchase or otherwise acquire capital assets or make any other capital expenditure (including capitalized leases and conditional sales contracts) in excess of $250,000 in any fiscal year on a non-cumulative basis.

5.10 Current Ratio. Permit the ratio of its total current assets to its total current liabilities to be less than 1.5 to 1.0 at any time, as determined in accordance with generally accepted accounting principles applied on a consistent basis with that of the fiscal year ending December 31, 1988.

5.11 Debt to Worth Ratio. Permit the ratio of its total liabilities to its tangible net worth to exceed 2.0 to 1.0 at any time, as determined in accordance with generally accepted accounting principles applied on a consistent basis with that of the fiscal year ending December 31, 1988.

5.12 Mandatory Prepayment; Annual Clean-Up. Permit any advances to be outstanding pursuant to the Line of Credit for a period of thirty (30) consecutive days during each fiscal year of the Borrower.

5.13 Transactions with Subsidiaries and Affiliates. Enter into, or be a party to, any transaction with any Subsidiary or Affiliate (including, without limitation, transactions involving the purchase, sale or exchange of property, the rendering of services or the sale of stock) except in the ordinary course of business pursuant to the reasonable requirements of the Borrower and upon fair and reasonable terms no less favorable to the Borrower than Borrower would obtain in a comparable arm's-length transaction with a person other than a Subsidiary or an Affiliate.

5.14 Change Name or Location. Change its corporate name or conduct its business under any trade name or style other than as set forth on Schedule A under the heading "Subsidiaries, Affiliates and Trade Names" or change its chief executive office, principal place of business or other places of business or the present locations of the Collateral or records relating to the Collateral from those locations set forth in Section 2.14.

5.15 Subsidiaries, Affiliates. Acquire, form or dispose of any Subsidiary or Affiliate or acquire all, or substantially all or any material portion of the stock or assets of any other person, firm, corporation, corporate division or business entity.

5.16 Remove Collateral. Remove any of the Collateral or the records relating thereto from the locations set forth in Section 2.14.

5.17 Management, Accounting Methods. Make or consent a material change in the stock ownership or capital structure of the Borrower or in the manner in which the business of the Borrower is conducted or in its method of accounting (including, without limitation, the basis of application of generally accepted accounting principals).

Section 6. Defaults

If any one or more of the following "Events of Default" shall occur:

6.1 Failure to make payment when due of the principal of the Note, or interest on the Note or any other Liability owing by the Borrower to the Bank, now existing or hereinafter incurred, whether direct or contingent; or

6.2 Failure by the Borrower to observe or perform any covenant contained in Section 4 or 5 hereof; or

6.3 Failure by the Borrower or any Guarantor to perform any act, duty, obligation or other agreement contained herein and not otherwise constituting an Event of Default hereunder which shall occur and continue without correction for seven (7) days following the Bank giving the Borrower notice thereof; or

6.4 Any representation or warranty made by the Borrower or any Guarantor herein or in any Related Agreement, or any statement, certificate or other data furnished by the Borrower or any Guarantor in connection herewith or with any Related Agreement, proves at any time to be incorrect in any material respect; or

6.5 Any judgment for the payment of money shall be rendered against the Borrower, and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution or shall be executed upon or any attachment or garnishment is placed on any property or asset of the Borrower and is not removed within thirty (30) days; or

6.6 The Borrower or any Guarantor shall (1) apply for or consent to the appointment of a receiver, trustee or liquidator of all or a substantial part of any of its assets; (2) be unable, or admit in writing its inability, to pay its debts as they mature; (3) file or permit the filing of any petition, case, arrangement, reorganization, or the like under any insolvency or bankruptcy law, or the adjudication of it as a bankrupt, or the making of an assignment for the benefit of creditors or the consenting to any form of arrangement for the satisfaction, settlement or delay of debt or the appointment of a receiver for all or any part of its properties; or (4) any action shall be taken by the Borrower or any Guarantor for the purpose of effecting any of the foregoing; or

6.7 An order, judgment or decree shall be entered, or a case shall be commenced, against the Borrower or any Guarantor, without the application, approval or consent of the Borrower or any Guarantor by any court of competent jurisdiction, approving a petition or permitting the commencement of a case seeking reorganization or liquidation of the Borrower or any Guarantor or appointing a receiver, trustee or liquidator of the Borrower or any Guarantor or of all or a substantial part of the assets of the Borrower or any Guarantor, and Borrower or any Guarantor, by any act, indicates its approval thereof, consent thereto, or acquiescence therein, or such order, judgment, decree or case shall continue unstayed and in effect for any period of thirty (30) consecutive days; or

6.8 If the Borrower or any Guarantor shall dissolve or liquidate, or be dissolved or liquidated, or cease to legally exist, or merge or consolidate, or be merged or consolidated with or into any other corporation; or

6.9 If any Guarantor shall die and within 30 days thereof the Borrower has not furnished collateral satisfactory to the Bank or obtained the Bank's written waiver of this Section 6.9 with respect to the death of such Guarantor;

6.10 Failure by the Borrower or by any Guarantor to pay any other indebtedness or obligation, or if any such other indebtedness or obligation shall be accelerated, or if there exists any event of default under any instrument, document or agreement governing, evidencing or securing such other indebtedness or obligation; or

6.11 If, at any time, the Bank believes in good faith that the prospect of payment of any obligation or the performance of any agreement of the Borrower or any Guarantor is impaired, or there is such a change in the condition or affairs (financial or otherwise) of the Borrower or any Guarantor as the Bank believes in good faith impairs the Bank's security (if any) or increases its risk;

then, and in any such event, the Bank may declare the then outstanding principal balance and all interest accrued on the Note and all applicable penalties and surcharges and other Liabilities to the Bank of the Borrower and any Guarantor to be forthwith due and payable, whereupon the same shall become forthwith due and payable, and any commitment of the Bank to continue to advance funds hereunder shall automatically terminate, all of the foregoing without presentment or demand for payment, notice of non payment, protest or any other notice or demand of any kind, all of which are expressly waived by the Borrower and by each Guarantor.

Section 7. POWER TO SELL OR COLLECT COLLATERAL.

7.1 Liquidation of Collateral. Upon the occurrence of an Event of Default, all Liabilities shall, at Bank's sole option, become immediately due and payable, anything in any note evidencing any such Liability or in this Agreement or in any other agreement to the contrary notwithstanding, without notice to Borrower, and Bank shall have all the rights and remedies of a secured party under the Uniform Commercial Code, as adopted in Connecticut, and all other legal and equitable rights to which it may be entitled. Further, the Bank may:

(i) settle, compromise or release, on terms acceptable to the Bank, in whole or in part, any amounts owing on accounts receivable and to enforce payment and prosecute any action or proceeding with respect to any and all accounts receivable,

(ii) extend the time of payment, make allowances and adjustments and to issue credits in the Bank's name or in the name of Borrower,

(iii) foreclose the liens and security interests created under this Agreement or under any other agreement relating to any of the Collateral by any available judicial procedure or without judicial process, to enter any premises where any of the Collateral may be located for the purpose of taking possession of or removing the same,

(iv) sell, assign, lease or otherwise dispose of the Collateral or any part thereof, either at public or private sale or at any broker's board, upon such terms as shall be acceptable to the Bank, all at the Bank's sole option and as the Bank, in its sole discretion, may deem advisable and the Bank may bid or become purchaser at any such sale if public, free from any right of redemption which is hereby expressly waived by Borrower, and the Bank shall have the right, at its option, to apply or be credited with the amount of all or any part of the Liabilities owing to the Bank against the purchase price bid by the Bank at any such sale.

7.2 Application of Proceeds. The net cash proceeds resulting from the collection, liquidation, sale, lease or other disposition of Collateral shall be applied first to the expenses (including all reasonable attorneys' fees) of retaking, holding, storing, processing and preparing for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all

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Liabilities, application as the particular Liabilities or against principal or interest to be in the Bank's discretion. Borrower shall be liable to the Bank and shall pay the Bank on demand any deficiency which may remain after such sale, disposition, collection or liquidation of Collateral, and the Bank in turn agrees to remit to Borrower any surplus remaining after all Liabilities have been paid in full.

7.3 Assemble Collateral. Under the occurrence of an Event of Default, the Borrower will, at the Bank's request, assemble all Collateral and make it available to the Bank at places which the Bank may select whether at premises of Borrower or elsewhere, and will make available to the Bank all premises and facilities of Borrower for the purpose of Bank's taking possession of Collateral or of removing or putting the Collateral in saleable form.

7.4 Power of Attorney. To facilitate the exercise by the Bank of the rights and remedies set forth in this Section 7, Borrower hereby constitutes Bank or its agents, or any other person whom Bank may designate, as attorney-in-fact for Borrower, at Borrower's own cost and expense, to exercise all or any of the following powers, which being coupled with an interest, shall be irrevocable, shall continue until all Liabilities have been paid in full and shall be in addition to any other rights and remedies that the Bank may have:

(i) to remove from any premises where the same may be located, any and all documents, instruments, files and records, and any receptacles and cabinets containing the same, relating to Collateral, and the Bank may, at Borrower's cost and expense, use such of the personnel, supplies and space of Borrower at its place of business as may be necessary to properly administer and control the Collateral or the handling of collections and realizations thereon;

(ii) to receive, open and dispose of all mail addressed to Borrower and to notify postal authorities to change the address for delivery thereof to such address as the Bank may designate;

(iii) to take or bring, in the Bank's name or in the name of Borrower, all steps, actions, suits or proceedings deemed by the Bank necessary or desirable to effect collection of or to realize upon the Collateral; and

(iv) to collect or withdraw all sums of money or other solvent credits Borrower may have to its credit with any banking institution.

Section 8. Miscellaneous

8.1 Waivers.

(a) Borrower and each Guarantor hereby waives presentment, demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to this Agreement, the Related Agreements, the Liabilities and the Collateral, Borrower and each Guarantor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of the Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Bank may deem advisable. The Bank shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof. The Bank may exercise its rights with respect to the Collateral without resorting or regard to other collateral or sources of reimbursement for liability. The Bank shall not be deemed to have waived any of its rights upon or under Liabilities or the Collateral unless such waiver be in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. The Bank may revoke any permission or waiver previously granted to Borrower or any Guarantor, such revocation shall be effective whether given orally or in writing. All rights and remedies of the Bank with respect to this Agreement,

the Related Agreements, the Liabilities or the Collateral, whether evidenced hereby or by any other instrument or document, shall be cumulative and may be exercised singularly or concurrently.

(b) THE BORROWER AND EACH GUARANTOR HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDING HEREAFTER INSTITUTED BY OR AGAINST THE BORROWER OR ANY GUARANTOR IN RESPECT OF THIS AGREEMENT, THE NOTE OR ANY RELATED AGREEMENT.

(c) THE BORROWER AND EACH GUARANTOR HEREBY ACKNOWLEDGE THAT THE TRANSACTION OF WHICH THIS AGREEMENT IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH BANK OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE and further, waives diligence, demand, presentation of payment, notice of nonpayment, protest and notice of protest, and notice of any renewals or extension and all rights under any statutes of limitation.

(d) Borrower and each Guarantor hereby give Bank a lien and right of setoff for all Borrower's liabilities upon and against all the deposits, credits, collateral and property of Borrower and Guarantor, now or hereafter in the possession or control of Bank or in transit to it. Bank may, upon the occurrence of an Event of Default, as defined in this Agreement, or upon the occurrence of any event or condition which would constitute such an Event of Default but for the requirement that notice be given or time elapse or both, apply or set-off the same, or any part thereof, to any liability of Borrower or any Guarantor, even though unmatured.

8.2 Notices. All notices, requests or demands to or upon a party to this Agreement shall be given or made by the other party hereto in writing and by depositing in the mails postage prepaid, return receipt requested addressed to the addressee at the address set forth above. No other method of giving any notice, request or demand is hereby precluded.

8.3 Expenses. The Borrower will pay all expenses arising out of the preparation, administration, amendment, protection, collection and/or other enforcement of this Agreement, the Related Agreements, the Collateral or security interest granted hereunder or thereunder and the Note (including, without limitation, reasonable counsels' fees).

8.4 Compliance. The determination of the Borrower's compliance with all covenants contained in this Agreement or the Notes shall be based on the application of generally accepted accounting principles employed by the Borrower in the preparation of its certified financial statements dated December 31, 1988 unless otherwise subsequently and specifically agreed to in writing by the Bank.

8.5 Stamp Tax. The Borrower will pay any stamp or other tax which becomes payable in respect of the Notes, this Agreement or the Related Agreements.

8.6 Certain Definition. As used herein (a) the term "Base Rate" shall mean the interest rate announced by the Bank from time to time as its Base Rate, (b) the term "Subsidiary" shall mean any corporation, a majority of whose outstanding stock having ordinary voting powers for the election of directors, shall at any time be owned or controlled by the Borrower or one or more of its subsidiaries; (c) the term "Affiliate" shall mean any person, or corporation which directly or indirectly controls, or is controlled by, or is under common control with the Borrower; and (d) the term "Guarantor" shall mean any guarantor, endorser or suraty of any Obligation of the Borrower to the Bank. For purposes of Section 8 4(c), control shall be deemed to exist if any person, entity or corporation, or combination thereof shall have possession, directly or indirectly, of the power to direct the management or policies of any person, entity, or corporation and shall include any holder of 25% or more of any stock or other interest in any person, entity or corporation, whether such holding is direct or indirect.

8.7 Schedule A. Schedule A which is attached hereto is and shall constitute a part of this Agreement.

8.8 Connecticut Law. This Agreement, the Related Agreements and the rights and obligations of the parties hereunder and thereunder and under the Notes shall be construed and interpreted in accordance with the law of Connecticut. The Borrower and each Guarantor hereby acknowledge that the underlying transactions to which this Agreement and the Related Agreements relate concerns the making, now or in the future of loans and advances to the Borrower and that said obligations of the Borrower and each Guarantor are primarily to be performed in the State of Connecticut. The Borrower and each Guarantor agrees that the execution of this Agreement and the Related Agreements and the rights and obligations of the parties hereunder and thereunder shall be deemed to have a Connecticut situs and the Borrower and each Guarantor shall be subject to the personal jurisdiction of the courts of the State of Connecticut with respect to any action the Bank, its successors or assigns, may commence hereunder. Accordingly, the Borrower and each Guarantor hereby specifically and irrevocably consents to the jurisdiction of the courts of the State of Connecticut with respect to all matters concerning this Agreement, the Related Agreements, the Note or the enforcement of any of the foregoing.

8.9 Survival of Representations. All representations, warranties, covenants and agreements herein contained or made in writing in connection with this Agreement and the security interests and rights herein contained shall survive the execution and delivery of the Note, shall continue in full force and effect until all amounts payable on account of the Note, the Liabilities, the Related Agreements and this Agreement shall have been paid in full and this Agreement has been terminated.

8.10 Severability. If any provision of this Agreement is invalid or unenforceable under applicable law, such provision is and will be totally ineffective to that extent, but the remaining provisions of this Agreement shall be unaffected.

8.11 Modifications. No modification or amendment hereof shall be effective unless same shall be in writing and signed by the parties hereto.

8.12 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Borrower, the Bank and their respective successors and assigns.

8.13 Termination of this Agreement. This Agreement shall terminate upon (i) the written agreement of the parties hereto to the termination of any obligation of the Bank to make advances under the Line of Credit and (ii) payment in full of all Obligations due hereunder or under the Related Agreements and under the Note and (iii) the expiration of all Letters of Credit issued by the Bank for the account of the Borrower or the tendering for cancellation of all such Letters of Credit.

IN WITNESS WHEREOF, the parties hereto have caused this Loan and Security Agreement to be duly executed on the day and year first above written.

Signed, Sealed and Delivered in the Presence of the undersigned as witnesses to all signatories:

Linda Quinn

Diane Lindsay

THE CONNECTICUT NATIONAL BANK

By _____
John M. Staszesky
Its: Vice President

COLONIAL DATA TECHNOLOGIES CORP.

By _____
Its: CHIEF FINANCIAL OFFICER
R. F. WASCO

EXHIBIT II

Debtor:

Colonial Data Technologies Corp.
80 Pickett District Road
New Milford, Connecticut

Secured Party:

The Connecticut National Bank
777 Main Street MSN ____
Hartford, Connecticut 06115

(i) All inventory of the Debtor, now owned or hereafter acquired, including, but not limited to, all goods, merchandise, raw materials, work in process and finished goods and products and other tangible personal property now owned or hereafter acquired by the Debtor and held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in the Debtor's business;

(ii) All accounts, accounts receivable, notes, drafts, acceptances or other forms of obligations and receivables now or hereafter received by or belonging to the Debtor for inventory sold or for services rendered by it whether or not earned by performance, together with all guarantees and security therefor and all proceeds thereof, whether cash proceeds or otherwise of Debtor, whether or not the same be listed on any schedules, assignments or reports furnished to Secured Party from time to time;

(iii) All contract rights of the Debtor, now existing or hereafter arising;

(iv) All interest of the Debtor, now existing or hereafter arising in goods or merchandise as to which an account receivable for goods sold or delivered has arisen;

(v) All goods, instruments, documents, documents of title, policies and certificates of insurance, securities, chattel paper, deposits, cash or other property owned by the Debtor or in which it has an interest including, but not limited to, all property allocable to unshipped orders and all merchandise returned by or reclaimed by or repossessed from customers, all rights of stoppage in transit, replevin, repossession and reclamation and all other rights of an unpaid vendor or lienor;

(vi) All bank accounts, including, but not limited to, deposit accounts, now existing or hereafter arising, together with the right to withdraw from said accounts and make deposits to the same;

(vii) All equipment, machinery and personal property and fixtures now owned or used, or hereafter acquired, all accessions thereto and substitutions thereof, including, but not by way of limitation, all tools, dies, molds and similar assets, furniture and furnishings;

(viii) All general intangibles, now existing or hereafter owned or acquired, including, but not limited to, patents, patent applications, trademarks, trademark registrations and applications therefor, trade names, trade processes, copyrights, copyright registrations and applications therefor, and all licenses and franchises, and corporate name and good will of Debtor's business and all rights to payment;

(ix) Proceeds (including, without limitation, insurance and condemnation proceeds) and products of all of the foregoing and insurance proceeds thereof.

(x) The aforesaid fixtures are located at the Debtor's above-mentioned business address location, the record owner of which and the description thereof is given hereinbelow:

Record Owner(s):

Description: See Schedule "I" attached hereto and made a part hereof.

EXHIBIT 19.3

EXHIBIT I

DEMAND NOTE

$2,500,000

Dated as of February 10, 1992

ON DEMAND, FOR VALUE RECEIVED, the undersigned, COLONIAL DATA TECHNOLOGIES CORP., a Connecticut corporation (the "Borrower") hereby promises to pay to the order of THE CONNECTICUT NATIONAL BANK (the "Bank"), at the office of the Bank located at 777 Main Street, Hartford, Connecticut, the principal sum of TWO MILLION FIVE THOUSAND DOLLARS ($2,500,000), or, if less, the aggregate unpaid amount of all advances made by the Bank to the Borrower under the Line of Credit (as defined in the Agreement referred to below) together with interest on all unpaid balances beginning as of the date hereof, at a variable rate per annum of three-quarters of one (.75) percentage point above the interest rate as announced by the Bank from time to time as its Base Rate (the "Base Rate") on a floating basis computed and payable monthly on the first day of each month during the term hereof and upon payment in full on the basis of a three hundred sixty (360) day year and actual days elapsed. On the date hereof, the Base Rate is 6.5% per annum and this Note accordingly shall bear interest at the rate of 7.25% per annum and until the Base Rate shall change, whereupon the rate of interest borne by this Note shall change accordingly. Borrower agrees that the interest shall accrue at the rate of two (2) percentage points above the foregoing rate on the unpaid balances after maturity, by acceleration or otherwise, including any period after which judgment has been rendered on this Note. This Note is payable on DEMAND, but if not sooner demanded, shall be due and payable not later than April 30, 1993 (the "Termination Date").

All payments shall be applied first to the payment of interest on the unpaid principal of this Note and the balance on account of the principal of this Note. The Bank is authorized, but not required, to charge principal and interest due on this Note to any account of the Borrower when and as it becomes due.

Bank may collect a "late charge" equal to five percent (5.00%) of any installment of interest or principal, or of any other amount the Bank which is not paid or reimbursed by the Borrower within ten (10) days of the due date thereof to cover the extra expense involved in handling such delinquent payment. The minimum late charge shall be $15.00.

Borrower may prepay this Note in whole or in part at any time without penalty. Any and all prepayments shall be credited first to accrued interest to the date of the prepayment and then to the unpaid principal of this Note.

The Borrower must prepay this Note to the extent the outstanding principal balance hereunder at any time exceeds the Borrowing Base as defined in the Commercial Revolving Loan and Security Agreement.

The Borrower must prepay all advances made hereunder and maintain a zero (0) principal balance outstanding hereunder for a period of thirty (30) consecutive days during each fiscal year.

Each of the following shall constitute an "Event of Default" hereunder: (1) Failure of Borrower to pay or perform any of Borrower's liabilities or obligations to Bank (whether under this Note or otherwise) when due to be paid or performed; (2) default by the Borrower or by any endorser, guarantor or surety of any obligations of the Borrower to the Bank, in the payment of any other indebtedness or obligation, or if any such other indebtedness or obligation shall be accelerated, or if there exists any event of default under any instrument, document or agreement evidencing or securing such other indebtedness or obligation; (3) any material adverse change in the financial condition of Borrower or any guarantor or endorser hereof; (4) failure by Borrower to comply with the terms of, or the occurrence of default under the Loan and Security Agreement of even date herewith or under any other mortgage or security agreement which may now or hereafter secure this Note; (5) sale or other disposition of or encumbrance on or the making of any levy, seizure or attachment of any collateral which may now or hereafter secure this Note; or

CUSTOMER INITIALS

CUSTOMER INITIALS

BANK OFFICER INITIALS

BANK OFFICER INITIALS

(6) incompetency of, dissolution of, termination of the existence of, insolvency of, business failure of, application for or appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding (whether for the purpose of liquidation or rehabilitation or otherwise) under any bankruptcy or insolvency laws by or against Borrower or of, by, or against any guarantor or endorser of any of Borrower's liabilities or obligations to Bank (whether under this Note or otherwise).

This Note has been executed and delivered pursuant to the Loan and Security Agreement dated as of May 1, 1992 (the "Agreement") between the Borrower and the Bank and evidences advances made by the Bank pursuant to the Line of Credit (as defined therein), which advances shall be entered by the Bank on Schedule I attached hereto. Reference is made to said Agreement for a description of additional rights of the Bank and duties of the Borrower hereunder.

Borrower and each Guarantor of this Note agree to pay all taxes levied or assessed upon this Note and to pay all costs, expenses and attorneys' fees incurred by Bank in any proceedings for collection, protection, defense or enforcement of this Note, in realizing on or disposing of collateral given under any mortgage, chattel mortgage, or other security agreement securing this Note or in protecting or sustaining this Note, any agreement or instrument evidencing, governing or securing this Note or the security interest given in said mortgage, chattel mortgage, or other security interest, now or hereafter securing this Note or in any litigation arising out of the transactions of which this Note is a part. Borrower and each Guarantor of this Note hereby give Bank a lien and right of setoff for all Borrower's liabilities upon and against all the deposits, credits, collateral and property of Borrower and Guarantor, now or hereafter in the possession or control of Bank or in transit to it. Bank may, in the event of default, as defined in the said Loan and Security Agreement, or upon the occurrence of any event or condition which would constitute such an event of default but for the requirement that notice be given or time elapse or both, apply or set-off the same, or any part thereof, to any liability of Borrower or any Guarantor, even though unmatured.

BORROWER AND EACH GUARANTOR HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDINGS HEREAFTER INSTITUTED BY OR AGAINST THE BORROWER IN RESPECT OF THIS NOTE, THE LOAN AND SECURITY AGREEMENT OR THE RELATED AGREEMENTS AS DEFINED THEREIN.

BORROWER AND EACH GUARANTOR OF THIS NOTE ACKNOWLEDGE THAT THE LOAN EVIDENCED BY THIS NOTE IS A COMMERCIAL TRANSACTION AND WAIVE THEIR RIGHTS TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY THE LAW OF ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH BANK MAY DESIRE TO USE, and further, waive diligence, demand, presentment for payment, notice of nonpayment, protest and notice of protest, and notice of any renewals or extensions of this Note, and all rights under any statute of limitations, and agree that the time for payment of this Note may be changed and extended at Bank's sole discretion, without impairing their liability thereon, and further consent to the release of all or any part of the security for the payment hereof at the discretion of Bank, or the release of any party liable for this obligation without affecting the liability of the other parties hereto. Any delay on the part of the Bank in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted for one occasion shall not operate as a waiver in the event of any subsequent default.

This Note shall bind the heirs, executors, administrators, successors and assigns of each Borrower and all Guarantors hereto and shall inure to the benefit of the Bank, its successors and assigns.

This Note shall be governed by and construed in accordance with the laws of the State of Connecticut.

COLONIAL DATA TECHNOLOGIES CORP.

By _____

Its Chief Financial Officer

R.F. Wasco

EXHIBIT 19.4

GUARANTY BY CORPORATION

TO: THE CONNECTICUT NATIONAL BANK
777 Main Street
Hartford, Conn. 06115

Gentlemen:

In consideration of your having made or making, now or in the future, loans, advances, or otherwise giving credit to COLONIAL DATA TECHNOLOGIES CORP., a Delaware corporation, (hereinafter called the "Borrower"), the undersigned hereby unconditionally guarantees to you full and prompt payment at maturity (including any accelerated maturity), or if now due, prompt payment when demanded by the Bank, of any and all liabilities owed to you by the Borrower. As used herein, "liabilities" or "obligations" means any and all liabilities of the Borrower to you of every kind and description, direct or indirect, primary and secondary, absolute or contingent, due or to become due, now existing or hereafter arising, regardless of how they arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, irrespective of the validity or enforceability of any instrument, writing or arrangement relating to any of the liabilities, including, without limitation, all costs and expenses including attorneys' fees incurred with respect to the validity, enforceability or preservation of the liabilities hereby guaranteed. The undersigned further agrees to pay all costs and expenses, including attorneys' fees, arising out of or with respect to the validity, enforceability or preservation of this Guaranty Agreement.

The undersigned further guarantees that all payments made by the Borrower to you with respect to any liabilities hereby guaranteed will, when made, be final and agrees that if any such payment is recovered from, or repaid by, you in whole or in part in any bankruptcy, insolvency or similar proceeding instituted by or against the Borrower, this guaranty shall continue to be fully applicable to such liabilities to the same extent as though the payment so recovered or repaid had never been originally made on such liabilities.

The undersigned hereby waives demand of payment, presentment of any instrument, protest, and notice of non-payment or protest and of your acceptance of this guaranty and of any loans made, extensions granted or other action taken in reliance hereon and all other demands and notices of any description in connection with this guaranty, na liabilities or otherwise, and all rights under any statute of limitations. The undersigned specifically waives notice of any disposition of any collateral after default and the undersigned shall remain liable on the liabilities notwithstanding any claim that the disposition of any collateral was not commercially reasonable. The undersigned shall have no right of subrogation, reimbursement or indemnity whatsoever and no right of recourse to or with respect to any assets or property of the Borrower or to any collateral for the liabilities and obligations of the Borrower to you.

THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDINGS HEREAFTER INSTITUTED BY OR AGAINST THE UNDERSIGNED IN RESPECT OF THIS GUARANTY, ANY COLLATERAL SECURING THIS GUARANTY OR ANY OBLIGATIONS OF THE BORROWER GUARANTEED HEREUNDER.

Upon any default of the Borrower, the liability of the undersigned shall be effective immediately and payable on demand without any suit or action against the Borrower or any other guarantor of the liabilities or obligations. No delay or omission on your part in exercising any right hereunder shall operate as a waiver of such right or any other right; a waiver on one occasion shall not be a bar to or waiver of any right on any other occasion.

THE LIABILITY OF THE UNDERSIGNED WITH RESPECT TO ANY LIABILITY SHALL NOT BE TERMINATED BY, AND THE UNDERSIGNED ASSENTS TO ANY EXTENSION OR POSTPONEMENT OF THE TIME OF PAYMENT OR ANY OTHER INDULGENCE, ANY MODIFICATION, WAIVER OR AMENDMENT OF THE TERMS OF ANY AGREEMENT RELATING TO LIABILITIES, ANY SUBSTITUTION, EXCHANGE OR RELEASE OF COLLATERAL, THE ADDITION OR RELEASE OF

ANY PARTY PRIMARILY OR SECONDARILY LIABLE INCLUDING ANY OF THE UNDERSIGNED, WHETHER OR NOT NOTICE THEREOF IS GIVEN TO THE UNDERSIGNED. YOU SHALL HAVE NO DUTY TO COLLECT OR PROTECT ANY COLLATERAL OR ANY INCOME THEREON, NOR TO PRESERVE ANY RIGHTS AGAINST OTHER PARTIES, AND YOU MAY PROCEED UNDER THIS GUARANTY IMMEDIATELY UPON BORROWER'S DEFAULT WITHOUT RESORTING TO OR REGARD TO ANY COLLATERAL OR ANY OTHER GUARANTY OR SOURCE OF PAYMENT.

This is a continuing guaranty and shall remain in full force and effect and be binding upon the undersigned until written notice sent by registered or certified mail, addressed to THE CONNECTICUT NATIONAL BANK, 777 Main Street, Hartford, Connecticut 06115, Attention: Manager, Credit Department, of its revocation shall actually be received by you. No such revocation shall release the undersigned or affect in any manner your rights under this guaranty with respect to any obligation of the Borrower to you (including any renewal, modification, extension or other refinancing thereof) incurred or undertaken prior to actual receipt by you of such written notice of revocation and any such revocation by one of the undersigned shall not affect the continuing liabilities hereunder of such of the undersigned as do not give such notice of revocation. If any of the present or future obligations are guaranteed by persons, partnerships or corporations in addition to the undersigned, the release or discharge in whole or in part or the death, bankruptcy, liquidation or dissolution of one or more of them shall not discharge or affect the liabilities of the undersigned under this guaranty.

You shall have a security interest in any and all deposits, instruments, securities or other property of the undersigned which are now or may in the future come into your possession, as collateral for the liabilities of the undersigned pursuant to this guaranty.

You shall have a lien upon and a right of set-off against any and all deposits and other property of the undersigned, now or hereafter in your possession or control for all liabilities of the undersigned pursuant to this guaranty.

The undersigned acknowledges that the underlying transaction to which this guaranty relates concerns your having made or making, now or in the future, at your option, loans and advances, or otherwise giving credit to the Borrower, and that said obligations of the Borrower and this guaranty are primarily to be performed in the State of Connecticut. The undersigned further acknowledges that it will materially and directly or indirectly, receive financial benefit from said underlying transactions. The undersigned agrees that the execution of this guaranty and performance of guarantor's liabilities hereunder shall be deemed to have a Connecticut situs and the undersigned shall be subject to the personal jurisdiction of the Courts of the State of Connecticut with respect to any action you, your successors or assigns, may commence hereunder. Accordingly, the undersigned hereby specifically and irrevocably consents to the jurisdiction of the Courts of the State of Connecticut with respect to all matters concerning this guaranty or the enforcement thereof.

THE UNDERSIGNED ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS GUARANTY IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUES, OR AS OTHERWISE ALLOWED BY THE LAW OF ANY STATE OR FEDERAL LAW, WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH YOU, YOUR SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

This guaranty shall inure to the benefit of you, your successors and assigns, and it shall be binding upon the undersigned, its successors ard assigns.

This writing is intended by the parties as a final expression of this Guaranty Agreement and is intended also as a complete and exclusive statement of the terms of this Guaranty. No course of dealing between the parties, no usage of the trade and no parol or extrinsic evidence of any nature shall be used or be relevant to supplement, explain or modify any term used herein.

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This Agreement is intended to take effect as a sealed instrument and its validity and construction shall be determined by the laws of the State of Connecticut.

In Witness Whereof, the undersigned has caused this instrument to be duly executed by its proper officer(s) this 30th day of APRIL, 1992.

Attest:

Its: Secretary

COLONIAL DATA TECHNOLOGIES CORP.,
a Massachusetts corporation

By _____
Duly Authorized

Title:

State of)
) ss.
County of)

On this the 30th day of APRIL, 1992 before me, personally appeared Robert J. Lamar who acknowledged himself to be the President + C.E.O. of Colonial Data Technologies a corporation, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President + C.E.O.

In Witness Whereof I hereunto set my hand.

Notary Public
My Commission expires 1997

EXHIBIT 19.5

ECM
EMERGING COMPANY MARKETPLACE®

Listing Agreement

(ECM®-1)

Colonial Data Technologies Corp., a Masschusetts corporation (the "Company"), in consideration of the listing of its securities on the Emerging Company Marketplace, hereby agrees with the American Stock Exchange, Inc. (the "Exchange"), that it will

1. Promptly notify the Exchange of any change in the form or nature of any listed security or in the rights and privileges of the holders of such security, at least twenty days in advance of such change.

2. Take appropriate steps to ensure that no securities are sold in its behalf in reliance upon the exemption from state securities registration which is otherwise available to companies listed on the American Stock Exchange.

3. In accordance with the Exchange's timely disclosure policies, make prompt public disclosure of any material development in the Company's affairs and operations, whether favorable or unfavorable, which might significantly affect the market for its securities or influence investment decisions.

4. Upon request, furnish to the Exchange such information concerning the Company as the Exchange may reasonably require.

5. Hold meetings of its shareholders annually to elect directors and to take action on other matters and to solicit proxies for all such meetings (conforming to the proxy rules of the Securities and Exchange Commission).

6. Publish and mail to the holders of listed securities (and file copies with the Exchange), at least ten days before the annual meeting and not later than four months after the close of the fiscal year, an annual report containing audited financial statements prepared in conformity with the requirements of the Securities and Exchange Commission.

7. Publish (and file with the Exchange) quarterly statements of sales and earnings on the basis of the same degree of consolidation as the annual report. Such statements should disclose any substantial items of unusual or nonrecurrent nature and will show net income before and after federal income taxes.

8. File with the Exchange: (a) proposed amendments to, and certified copies of, the Certificate of Incorporation, By-laws or other similar organization documents, (b) copies of all SEC filings, and (c) all material sent to shareholders or released to the press.

9. Maintain

(a) a transfer office or agency, satisfactory to the Exchange under Exchange Rule 891, where

(i) all securities of the Company listed on the Exchange shall be transferable and where dividends and all other payments with respect to such securities shall be payable; and

(ii) a security listed on the Exchange which is convertible will be accepted for conversion.

(b) a registry office (a corporation) satisfactory to the Exchange, where all securities of the Company listed on the Exchange shall be registrable.

10. Comply with Exchange rules, policies and procedures as in effect and as they may be amended from time to time.

The above agreement has been signed by me as Vice President and Chief Financial Officer (Title), of Colonial Data Technologies Corp. (Name of Company), pursuant to authority granted me by resolution of the Board of Directors of said corporation adopted on March 3, 1992.

COLONIAL DATA TECHNOLOGIES CORP.

Dated March 3, 1992

By: [signature] (Please print name under signature)

R.F. WASCO

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